

FREQUENTLY ASKED QUESTIONS RELATED TO REIMBURSEMENT

1. When do I pay the approved monthly payment rate amount to a provider? How many absences do I pay for?

Payment for subsidized child care services is usually based on **enrollment** according to the family's plan of care as long as the child is attending regularly. This means you pay the approved monthly payment rate amount. The majority of your payments will be paid on enrollment.

There are times, determined by your local policy and a family's situation, when payment is based on **attendance** and you pay only for the number of days the child attends. You must know your local payment policies in order to make accurate payments.

If a child is absent more than 5 days in the payment month, you need answers to the following questions:

- Did the provider notify the local purchasing agency within a week of the 5th absence, therefore allowing payment for more absences?
- Were there extenuating circumstances or a hardship that allows you to pay when the child has been absent more than 10 days?
- Is there an Action Notice terminating care?

Payment is made for the days during a notice period whether or not the child attends, except in only two circumstances:

1. The provider can choose to waive the payment for the notice period.
2. When a provider is at capacity (i.e., total capacity for a family child care home, age group capacity for a center) and she enrolls another child in that space, payment is not made for the days the new child is in that space.

NOTE: The local purchasing agency is not relieved of paying for the notice period when the provider has available spaces and another family chooses to enroll a child at that facility.

In rare cases, the plan of care is set up on an *as-needed* or *per diem* basis if the provider has agreed to the payment rate. In such cases, you will pay only for the days the child attends each month.

The examples below indicate when you pay on enrollment and when you pay on attendance, based on the local policies adopted by the county.

LOCAL POLICY: The county pays based on attendance when a child is absent for more than five days but less than 10 days and the provider does not notify the local purchasing agency timely.

Susan attends Little Angels Child Development Center full-time while her mother works. The full-time monthly payment rate is \$584 a month.

Example 1: In February (a 20-day month), Susan is absent for 9 days. The provider calls within a week of the 5th absence and reports that the child is out because she is sick.

Payment is based on enrollment because the provider reported the absences timely. Payment is made at the 100% payment rate for the full month.

Need code: 811
Payment rate: \$584
Service days: 20

Example 2: When you receive the attendance report for February, you discover that Susan was absent 9 days. The provider did not notify the local purchasing agency.

Payment is based on attendance because the provider did not report the absences. You enter the number of days the child attended during the service month.

Need code: 811
Payment rate: \$584
Service days: 11

LOCAL POLICY: The county pays based on attendance when a child has been absent more than 10 days, except in hardship cases or when there are unusual circumstances.

Example 1: In April, Susan's mother tells the provider and the caseworker that the child is in the hospital, but she will return to the child care facility as soon as she is able to do so. Susan is out for 18 days during the 21-day month. The caseworker determined that this is a hardship situation and it is in the best interest of the family to pay for the 18 days.

Payment is based on enrollment because the county determined this to be a hardship situation. Payment is made for the 21 service days.

Need code: 811
Payment rate: \$584
Service days: 21

Example 2: When you receive the April attendance report from Little Angels Child Development Center, you find that Susan has missed 18 days. Neither the parent nor the provider has notified you or the caseworker and you have no idea why the child has been absent.

Payment is based on attendance because the child was absent for more than 10 days. Payment is made for the 3 service days Susan attended.

Need code: 811
Payment rate: \$584
Service days: 3

2. What should I do when the provider reports absences to me but she does not know the reason for the absences?

In this situation, the local purchasing agency has the responsibility to react immediately. Notify the appropriate worker in your agency so that she can respond to the provider's report. Although the worker has 10 days to respond to the report, she is encouraged to react quickly because of the possible impact on the payment to the provider or on the family's eligibility. If the worker is unable to determine the reason for the absences, she sends a 10-day Action Notice of termination to the parent and the provider. If the family continues to need child care services, the parent must contact the local purchasing agency. If the family does not need the care and/or does not respond to the notice, the notice period protects the provider so that she can continue to receive payment for absences during that time.

Susan attends the center for 2 days and then is absent for 7 days. On the 7th day of absence, the provider reports she does not know the reason for the absences. When the caseworker is unable to reach the parent by telephone, she immediately sends a 10-day Action Notice of termination.

Example 1: The parent does respond to the notice of termination after 3 more absences and the child returns to the facility.

Assuming there are no additional absences, payment is based on enrollment and is made for the full month. The initial 7 days of absences were reported timely and the next 3 absences were covered by the notice period.

Example 2: The parent does not respond to the Action Notice.

Payment is made for the 2 days attended and the 7 days of absence that the provider reported and the 10 days of the notice period (whether or not the child attended during that period), for a total of 19 service days that month.

3. What should I do when I notice excessive absences on the attendance report?

When you are viewing attendance sheets and making payments, you may see excessive absences that have no explanation. Report these immediately to the caseworker so that she can contact the parent and provider to determine the appropriate action to take.

4. If a provider offers more than one before/after-school rate, which one do I use?

Many providers offer reduced rates for school-aged children who need care only before school or only after school. For example, the full-time payment rate for school-agers (R03) at Perkins Child Development is \$433 a month. This facility also has three R06 rates: the rate for before-school care only is \$87/month; the rate for after-school care only is \$217/month; and the rate for before- and after-school care is \$282/month.

The caseworker indicates which plan of care is appropriate for the child; the reimbursement staff enters the corresponding R06 payment rate into the system. The caseworker assesses the fee according to the number of hours care is needed.

When care is needed for a full day, the R36 rate is the difference between the R03 rate of \$433 and the appropriate R06 rate.

| R03 | R06 | R36 |
|-------|---------------------------------|-------|
| \$433 | before-school only=\$ 87 | \$346 |
| \$433 | after-school only =\$217 | \$216 |
| \$433 | before- and after-school =\$282 | \$151 |

NOTE: The third position in the Need Code will be 1 (e.g., 811, 831, etc.) for both the R06 and R36 records regardless of the R06 payment rate used.

5. How do I pay for the transitional months when school opens in the fall and closes for the summer?

During the months when school closes for the summer and when it re-opens in the fall, a school-aged child could have two plans of care. There are two payment records - one is for the days for before/after-school care when school is in session and the other is for full-time care when school is not in session. The appropriate parental fee, if applicable, is assessed to each plan. Payment is made for both plans of care based on the number of service days in each plan.

Example 1: Scott needs before- and after-school care during the school year and full-time care when school is out for the summer. The center he attends has a full-time payment rate (R03) of \$500/month; the before/after-school payment rate (R06) is \$275/month. The last day of school is June 8th. Scott attends the center before and after school for 6 days; he goes full-time for the remaining 15 days in the month. (In this example, there is no parental fee for Scott because it is assessed to a younger brother.)

NOTE: If you did not include the R03 payment record when you first added the child, you must look on the Child Care Voucher to confirm that the child is approved for summer care and add the payment record at this time.

Payment is made for each plan of care: for 6 days at the R06 rate of \$275 and 15 days at the R03 rate of \$500.

Example 2: Grandmother keeps the younger brother and care is needed only for Scott. The fee is now attached to Scott. The full-time fee is \$139 a month for full-time care (R03) and \$104 a month for after-school care (R06). Scott attends the program both before and after school for 4 hours a day (20 hours a week) and the parental fee is assessed at the 75% rate.

| Rate Group | Payment Rate | Monthly Fee |
|------------|--------------|-------------|
| R03 | \$500 | \$139 |
| R06 | \$275 | \$104 |

Payment is made for 6 days at the R06 rate of \$275, with a monthly fee amount of \$104; and for 15 days at the R03 rate of \$500, with a monthly fee amount of \$139. An Action Notice is not required for the increase in the parental fee if the caseworker approved this plan of care on the Child Care Voucher when the mother first requested child care services for Scott.

6. How do I pay for children who are enrolled in year-round schools?

Payment for the scheduled breaks for children enrolled in year-round schools is made in the same manner as for the transitional months in traditional schools as described above. The child has two payment records with a parental fee assessed to each plan of care.

The child enrolled in year-round school could also receive full-day care for a teacher workday, holiday, or inclement weather day during the same month that he receives both before/after-school care and full-time care during the break. These days are treated the same way they are treated in traditional schools. When this situation occurs, a child has three payment records for a given month – R03 for full-time care when school is not in session, R06 for before/after-school care when school is in session, and R36 for care when full-day care is needed while school is in session.

7. How is school-aged care in a nonlicensed home different from care in licensed facilities?

When school-aged care is provided by a nonlicensed home, the Rate Group and Need Codes are different from those used with a licensed facility.

Example: Bob and Betty go to their grandmother's house, a nonlicensed home, every day after school. Care is needed 2:30 PM – 6:15 PM, for 3 hours 45 minutes a day (18 hours 45 minutes a week). The full-time payment rate is \$356/month.

Rate group: R15, to indicate school-age in a nonlicensed home
Need code: 812, to indicate 75% care
Fee amount: 75% of full-time fee
Payment rate: \$267 (75%)

When care is needed for a **full day** (holiday, teacher workday, inclement weather day), two payment records are required, with the number of service days entered for each plan of care. If there is one teacher workday in April (a 21-day month) and care for the full day is needed, the payment records show the following.

| | |
|-------------------------------------|---------------------------------------|
| Rate group: R15 | Rate group: R15 |
| Need code: 812 | Need code: 811 |
| Service days: 20 (for after-school) | Service days: 1 (for teacher workday) |
| Payment rate: \$267 (75%) | Payment rate: \$356 (100%) |

Two payment records are also required for the **transitional** months when school begins and ends. The number of service days is entered for each plan of care. If school begins on August 8 (a 23-day month), care is needed full-time for 5 days and after school for 18 days. The payment records show the following:

| | |
|---------------------------------|-------------------------------------|
| Rate group: R15 | Rate group: R15 |
| Need code: 811 | Need code: 812 |
| Service days: 5 (for full-time) | Service days: 18 (for after-school) |
| Payment rate: \$356 (100%) | Payment rate: \$267 (75%) |

8. In situations other than those with school-aged care, how is the fee determined when the plan of care changes during the month?

There can be a time when a plan of care changes unexpectedly within a month, such as when a parent who is working part-time and receiving part-time child care services changes to full-time employment and requests full-time care immediately.

A payment record is required for each plan of care during that month, one for the part-time plan and one for the full-time plan. The fee also increases from part-time to full-time. In such a case, a 10-day Action Notice is required to increase the parental fee. Since increased parental fees are effective the first day of the month, the higher fee becomes effective the first day of the following month or, if this does not allow sufficient time for the 10-day notice, the first day of the second month. The caseworker indicates on the Action Notice when the parental fee is to change.

Example: Mary has been working 25 hours a week and earns \$812 a month. She receives 75% care at a family child care home for her two-year-old daughter. The 75% monthly payment rate for the child care home is \$304; her 75% monthly fee is \$61.

Payment rate: \$304
 Fee amount: \$61
 Service days: 21
 Need code: 812

On April 20th, Mary reports that her job is increasing to 40 hours a week and her need for care changes to full-time care beginning April 25th.

Mary will have two payment records for the month of April. One is the current record for the part-time plan of care for 17 service days; a second payment record is added for the new full-time plan of care for 4 service days.

For the second payment record, the Need code changes to 811, indicating full-time care, and the payment rate changes to the full-time rate of \$405. Because there is insufficient time left in the month to give the 10-day Action Notice for the parental fee to increase on May 1st, the higher fee of \$130 (10% of her new monthly income of \$1300) becomes effective on June 1st, the first day of the second month. The current part-time fee is retained for this record until the full-time fee goes into effect.

| CURRENT RECORD | NEW PAYMENT RECORD | | | |
|----------------|--------------------|-------|-------|-------|
| | APRIL | APRIL | MAY | JUNE |
| \$304 | Payment rate | \$405 | \$405 | \$405 |
| \$61 | Fee amount | \$61 | \$61 | \$130 |
| 17 | Service days | 4 | 23 | 21 |
| 812 | Need code | 811 | 811 | 811 |
| 3 | Client status | 2 | 2 | 2 |

9. Can a child enrolled in a preschool program have a before/after-school plan of care?

The local purchasing agency can provide care for a child who attends Head Start, the More at Four Pre-Kindergarten Program or another preschool program and who needs care before and/or after that program. This is often referred to as wrap-around care. The child may also need care for a full day when school is not in session during the school year.

When care is needed for the full day (for holidays, teacher workdays, or inclement weather days), an additional payment is made. The rate groups are R33, R34, and R35 (with the third position indicating the age of the child); the payment rates are determined by subtracting the part-time monthly rate from the full-time monthly rate. The number of days the child received the extra hours of care is entered into the reimbursement system.

Using a monthly full-time payment rate of \$525 for 3- to 5-year-olds, the Rate Groups, Need Codes and corresponding payment rates are:

| Rate Group/Need Codes | Payment Rates | |
|--------------------------------------|----------------------|-----------------|
| <i>For a three-year-old:</i> | | |
| Full-time = R13, 811 | \$525.00 | \$525.00 |
| Part-time = R13, 812 for 75% time | \$394.00 | |
| or R13, 813 for 50% time | | <u>\$263.00</u> |
| Difference, for full days = R33, 811 | <u>\$131.00</u> | \$262.00 |
| <i>For a four-year-old:</i> | | |
| Full-time = R14, 811 | \$525.00 | \$525.00 |
| Part-time = R14, 812 for 75% time | \$394.00 | |
| or R14, 813 for 50% time | | <u>\$263.00</u> |
| Difference, for full days = R34, 811 | <u>\$131.00</u> | \$262.00 |
| <i>For a five-year-old:</i> | | |
| Full-time = R15, 811 | \$525.00 | \$525.00 |
| Part-time = R15, 812 for 75% time | \$394.00 | |
| or R15, 813 for 50% time | | <u>\$263.00</u> |
| Difference, for full days = R35, 811 | <u>\$131.00</u> | \$262.00 |

Example 1: Sarah is a four-year-old who attends Head Start. When that program ends for the day, Sarah needs child care until her father picks her up at 6:00 PM. She receives four hours of care a day, for 20 hours each week.

Payment rate: \$394 for 75% time
 Rate group: R14
 Category code: 009
 Need code: 812

Example 2: In May, the Head Start program is closed for one day but the wrap-around program is in operation. Sarah needs care for the full day. To pay the difference between the part-time rate and the full-time rate, a second payment record is required.

Payment rate: \$131 for the extra hours
 Rate group: R34
 Category code: 009
 Need code: 811
 Service days: 1

10. How do I pay the provider when parents have joint custody?

Either or both parents can qualify for child care services in cases where the parents share custody of the child. Each case is set up independently of the other. Each parent has a plan of care that meets his/her need; each parent is assessed a parental fee if applicable; each has a Voucher. There are two payment records, one for each parent.

In most cases, each parent will have a part-time plan of care. As in other cases for part-time care, you leave the full number of service days for the month in the system in order for the payment to be correct when paying on enrollment.

NOTE: A provider cannot be paid more than the 100% payment rate amount for a space filled by the same child, as long as the total number of hours of care does not exceed 55 hours a week.

Shared Custody During the Week, Both Parents Eligible, Different Facilities

During the Monday-Friday work week, four-year-old Charlie is with Mom three days and with Dad two days. Mom needs care 7:30 AM – 5:30 PM (10 hours a day) for her three days, for a total of 30 hours a week. Dad needs care 6:30 AM – 4:00 PM (9 ½ hours a day) for his two days, for a total of 19 hours a week. Charlie attends two different facilities.

Child care services are approved for each parent at the 75% payment rate and fee amount.

When Charlie is with his mother, he attends Sunshine Child Care. The full-time monthly payment rate is \$500 per month. Her 100% monthly fee is \$220. When Charlie is with his father, he attends Happy Times Academy. The full-time monthly payment rate is \$575 per month. His 100% monthly fee is \$240.

| MOM | EACH PROVIDER | DAD |
|------------|----------------------|------------|
| \$375 | Payment rate (75%) | \$431 |
| \$165 | Fee (75%) | \$180 |
| R14 | Rate group | R14 |
| 009 | Category code | 009 |
| 812 | Need code (75%) | 812 |

Shared Custody During the Week, Both Parents Eligible, Same Facility

Charlie is with Mom three days and with Dad two days during the work week. The plan of care for each is described above. Charlie attends Sunshine Child Care each day.

Care is authorized at the 50% payment rate for each plan of care because you cannot pay the provider more than the 100% payment amount for the space Charlie fills since the total hours of care does not exceed 55 hours a week. The parental fee, however, is assessed at the 75% fee amount for each parent.

| MOM | SUNSHINE CHILD CARE | DAD |
|------------|----------------------------|------------|
| \$250 | Payment rate (50%) | \$250 |
| \$165 | Fee (75%) same as above | \$180 |
| R14 | Rate group | R14 |
| 009 | Category code | 009 |
| 813 | Need code (50%) | 813 |

Shared Custody During the Month, Both Parents Eligible

The joint custody agreement provides for Charlie to be with his mother two weeks during the month and with his father two weeks of the month (either every other week or for two weeks at a time). Each parent, then, needs child care services for half of the month.

The plan of care for each payment record, whether Charlie attends the same facility or two facilities, will be at the 50% payment rate (813) and with a 50% fee assessed.

Shared Custody, One Parent Eligible

Charlie is with Mom three days and with Dad two days during the work week. The 75% plan of care for each parent is described above. Mom receives subsidized child care services but Dad is not eligible or has not applied.

If Charlie attends two different facilities, Mom's plan of care is authorized for 75% to meet her need (812) and her parental fee is assessed at the 75% amount. If Charlie attends the same facility, her parental fee is assessed at the 75% amount; however, care is authorized at the 50% payment rate (813) because you cannot pay the provider more than the 100% payment rate for a space filled by the same child when the total hours of care does not exceed 55 hours a week. Dad is responsible for the other half of the payment to the provider.

11. Sometimes a provider is closed on a day that is not approved by the agency. How do I determine the number of days to pay for each child?

There is subsidy policy that allows the local purchasing agency to pay for days when the facility is not open. Your local policies address the number and type of days the county will pay for when the facility is closed. Reasonable requests for emergencies such as severe weather, illness, broken heating system, etc., can be reimbursed. The local purchasing agency can pay up to ten days in a month when the facility is closed but will not pay for any days that private paying parents are not required to pay.

If a provider closes the facility on a day that has not been approved by your agency (such as an extra day at Christmas), you will not pay for that day. You reduce the number of service

days for each child by the number of days the facility is closed without approval. Therefore, in a 21-day month, if a child has 21 service days and the facility was closed for one day that was not approved, you will reduce the number of service days to 20. The reimbursement system will automatically calculate the payment for the child at 20 days times the daily rate.

This can become an expensive day for the provider. We determine a month to be 21.67 days on average and use this to calculate the daily rate (which is rounded to the nearest nickel). The actual number of service days varies from month to month – some months have 20 or 21 days, others have 22 or 23. This means that the provider is paid more for 20 and 21 days, less for 22 and 23 days. It evens out over the course of a year.

For example, if the monthly rate is \$500.00, the daily rate is \$23.05. The daily rate of \$23.05 multiplied by 20 days equals the payment amount of \$461.00, a difference of \$39.00 for each child. If the provider were a family child care home with 5 children, with each being paid for 20 days in a 21-day month, then the provider's total monthly payment amount would be reduced by \$195.00 ($\$39.00 \times 5 = \195.00) for just this one day.

If the provider were a center with 30 children, each with a payment rate of \$500.00 and being paid for 20 days in a 21-day month, then the provider's total monthly payment amount would be reduced by \$1,170.00 ($\$39.00 \times 30 = \$1,170.00$) for just this one day.

If the unapproved closing occurs in February, the 20-day month, the impact is even greater. The daily rate of \$23.05 multiplied by 19 days equals the payment amount of \$437.95, a difference of \$62.05 for each child. If the provider were a family child care home with 5 children, with each being paid for 19 days in a 20-day month, then the provider's total monthly amount would be reduced by \$310.25 ($\$62.05 \times 5 = \310.25) for just this one day.

If the provider were a center with 30 children, each with a payment rate of \$500.00 and being paid for 19 days in a 20-day month, then the provider's total monthly payment amount would be reduced by \$1,861.50 ($\$62.05 \times 30 = \$1,861.50$) for just this one day.

NOTE: If this situation occurs in a 22- or 23-day month, and the total service days (after the unapproved closed day is subtracted) is 21 or 22, the reimbursement system will look at this as a full payment rate month and there will be no reduction in payment.

12. What is the procedure for making a supplemental payment for a child with special needs?

To identify any child with special needs, the 400 series Need Codes are used.

When a child with special needs receives care in a facility *other* than a certified developmental day center, the provider may incur extra expenses in order to care for the child. The local purchasing agency can pay for these extra expenses with a supplemental payment *in addition* to the provider's payment rate. You can make a supplemental payment to all licensed homes, nonlicensed homes and licensed centers *with the exception of* certified developmental day facilities.

The **Provider Information Form (DCD-0454B)**, indicating the provider and the approved payment amount, is the form that authorizes you to make a supplemental payment.

The regular payment to the provider is the monthly payment rate minus the parent's fee. The rate group begins with **R**, **T**, or **V** for 1st, 2nd, or 3rd shift. If you are also making a supplemental payment, you must add a second payment record. The rate group for the supplemental payment record begins with **S**, **U**, or **W** for 1st, 2nd, or 3rd shift (to correspond to the shift for the regular payment). There is no fee attached to the supplemental payment.

Four-year-old David, a child with special needs, is enrolled full-time in a child care center where he attends second shift. The monthly payment rate for the facility is \$598 and the parental fee is \$154 per month. David has been approved for a supplemental payment of \$300 each month.

| Regular Payment Record | | Supplemental Payment Record |
|-------------------------------|----------------|------------------------------------|
| \$598 | Payment Amount | \$300 |
| \$154 | Fee amount | \$0 |
| 411 | Need code | 411 |
| T14 | Rate Group | U14 |